

2003 DIR Accomplishments

Telephone Hearings to Replace In-Person Process

Background: DIR conducts in-person appeals hearings on unemployment compensation appeals in which a hearing officer meets with the claimant and the employer. This method, while useful, is not as cost effective or productive as the teleconferencing technique we are currently developing. Many states are currently conducting teleconference hearings and using a third party such as AT&T or BellSouth to set up the conference call for the Administrative Hearing Officer. This does not allow the hearing officers to have full control of the hearing and generally costs the state more money per minute per individual participating in the hearing.

Program: After consulting with our Information Systems Division, we decided to experiment with telephonic software to allow the hearing officer to conduct teleconference hearings through his/her personal computer. This allows the hearing officer to be in full control of contacting all interested parties and saves time, allowing for more hearings to be scheduled for each workday. At the present time it costs six cents per minute using the personal computer versus 20 cents per minute using AT&T or BellSouth.

In January 2004, we began using software already available in the state unemployment compensation call centers to see if this method of conducting hearings was suitable for statewide application. After a few simulated test hearings, we determined that this method was indeed feasible and could be used to conduct hearings anywhere within or outside the state regardless of the hearing officer's physical location. Currently, hearing officers are out-stationed at various regions in the state.

Results: Beginning May 2004, two out-stationed hearing officers in Foley and Scottsboro, who previously conducted all in-person hearings, began conducting primarily all teleconference hearings. Due to the limited number of available phone lines in the state unemployment compensation call centers, it is not possible to have all out-stationed hearing officers conducting telephonic hearings at this time. Because of this limitation, DIR is in the process of purchasing new software and hardware that are uniquely suitable to the appeals process. This purchase was released for bid in early June 2004. We hope to have all state hearing officers trained in the telephonic hearing process and conducting these type hearings by the beginning of calendar year 2005.

A hearing officer's work is a measurable product. All hearings are scheduled at least seven calendar days in advance and all appeal cases have a time limit in which a written decision must be rendered. By conducting telephonic hearings through the use of a personal computer, hearing officers could perform their work duties from their homes. Teleworking by hearing officers through the use of technology would not require office space to be leased by the DIR. By moving to statewide teleconference appeal hearings, the Department of Industrial Relations will realize a cost savings of approximately \$50,000 per year in travel expenses and \$30,000 per year in leased office space. Travel time for hearing officers will also be reduced, allowing for more

productivity. It will also be convenient and less costly to employers and unemployed claimants.

Use of Technology Saves Money and Improves Efficiency

Background: A landmark study of DIR operations and recommendations to improve performance was requested by Director Phyllis Kennedy, and in January 2004 the AUM Center for Government and Public Affairs published its findings. One of the recommendations was to increase the use of technology to better serve customers. Listed below are several programs that implement use of technologies that have resulted in a savings of time and money.

Programs and Results:

- The Workers' Compensation Division launched a pilot project to conduct a portion of its operations in a *paperless environment*. It began sending and receiving some of its daily documents through the Internet. This move eliminates unnecessary paper waste and reduces the amount of time and postage expenses necessary to send the same information through the U.S. Postal Service. The records are reviewed and loaded electronically into the division's database on a daily basis, which reduces data entry work in processing the information and results in a reduced error rate. Future plans call for all forms, applications, and first reports of injury to be sent and received electronically.
- *Videoconferencing* – DIR held its first videoconference on June 22, 2004 for south/central area Employment Service managers. This is a quarterly meeting for just one area field supervisor. Normally, all of the managers would travel to a central location such as Montgomery and incur actual travel expenses and staff time in travel. With videoconferencing, a net savings of over \$1,600 resulted from reduced travel and staff time costs. This analysis took into consideration all costs associated with the videoconferencing technology and room rentals. The Employment Service Division plans to expand the use of videoconferencing for future meetings and training opportunities. In addition, the Training Section of DIR's Human Resources Division is exploring the use of videoconferencing for future training needs of all DIR employees.
- *Digital Scanning* – A project is in progress to change storage media for most of the department's current and future records from microfilm to digital scanning to improve ease of access, allow concurrent access, and reduce costs. Scan-on-demand equipment will be purchased to facilitate digitizing of older records currently stored on microfilm so that the records, as they are requested, can be retrieved through the record requestor's personal computer.
- *Electronic tracking* – A system for listing and tracking projects in the department has been developed and is being implemented to provide staff with an overview of what is being done to reach goals and provide a level of service that will meet performance needs.

Improving Internal and External Communications

Background: Improving internal and external communications is another goal that the Department of Industrial Relations set after studying the commissioned report on its operations that was compiled by the AUM Center for Government and Public Affairs. Prior to this communication improvement drive, the monthly employee newsletter was the main method of

communication with internal customers, and letters and an employer newsletter the primary method of communication with external customers.

Programs and results:

- *Web-based communications* – A portion of the DIR homepage on the Web is dedicated to employer news. Entitled “*News You Can Use*,” the site has articles of interest to employers as well as information on DIR policy changes and ways in which using DIR services can help them in their day-to-day business operations. For internal customers, DIR employees, an Intranet site was added so that forms, job announcements, relevant links, and other information is available to all in a convenient, timely format.
- *Expanded Employer Training Seminars* – Previously, these seminars were held only once every two years and featured DIR employees speaking on employer matters pertaining to DIR operations. For the first time in 2003, these seminars were held for two consecutive years. Also new to the seminars, the format was expanded to include an attorney speaking on employment law, and this topic proved to be very popular with employers.
- *E-Mail broadcasts* – Director Phyllis Kennedy had the Information Systems Division create a database of all DIR employee e-mail addresses. The database is employed by her and others when there is a need to quickly communicate to all employees. This method of communication is inexpensive, quick, and ensures that the message is on-target in its dissemination.
- *Employee forums* – The Director has held the first two of several scheduled open forums for front line employees to provide direct input to her on their concerns, questions, and suggestions on ways to improve efficiency and service. The open communication has resulted in more satisfied employees as well as ideas to improve customer service.
- *Employer and government meetings* – The Labor Market Information Division director and other DIR officials have met with employers on a variety of topics such as an overview of labor market information products, and conversion of industrial coding classifications and its consequences for consumers. Another meeting is scheduled for June 30 on a new statistical program for analyzing the Alabama economy.
- *Flex time* – While not a communications tool, implementation of flex time for Unemployment Compensation Call Center employees has increased employee morale, decreased the use of sick leave, and resulted in expanded hours of operation for unemployment compensation claimants to call in a claim for benefits. The program is so successful and popular, it may be implemented for other employees as deemed feasible by their supervisors.

Internet Service for Unemployment Compensation Claims

Background: In past years, Alabama citizens were required to file a claim for benefits after a separation from employment by applying at their nearest State Unemployment Office. For many, this was a very time-consuming process that required driving a long distance, standing in line, filling out forms, and being interviewed. In some instances, the embarrassment that may be associated with a job loss kept some potential claimants from even attempting to file.

During 2002, the Alabama Department of Industrial Relations opened four Unemployment Compensation Call Centers and ceased the operation of all unemployment offices across the state. While alleviating most of the problems associated with filing a claim for unemployment compensation, claimants may be on the phone for a long time after being placed “on hold,” before having the opportunity to speak with an employment security representative.

Program: In April 2003, DIR submitted a grant request to the U.S. Department of Labor for federal funds to develop and initiate a system for filing Unemployment Compensation claims over the Internet. In September 2003, a \$497,000 grant was received for putting the plan into action. With the completion of the Internet Initial Claims project, Alabama citizens will be able to file a claim for unemployment compensation benefits by computer. The grant also provides for the purchase of 39 computers that will be distributed to One-Stop Career Centers throughout the state for exclusive use in filing claims for unemployment compensation.

In designing this Web-based application, every attempt is being made to develop a system that will be easy for claimants to use. It will be available around the clock, every day of the week. Built into the system is the technology allowing most of the fact-finding requirements to be completed during the initial claims filing process without any time constraints. This will reduce the number of occasions that a claimant must be contacted for additional information by a DIR employee. The state’s growing Spanish-speaking population will be able to use the system, which will also have the capacity to be adapted for other languages. Claimants may still file for claims by telephone if they prefer that method.

Results: Alabama is joining numerous other states in developing an Internet Initial Claims project. Most of those states report a 20 percent usage rate during the first year of operation. Alabama expects to have Internet Initial Claims fully operational and available to the general public next year.

Marketing Career Center Services & Conducting Job Search Workshops

Background: The Alabama Career Center System consists of four operating partner agencies that provide job seekers and employers a full range of employment and job-training services in collocated facilities. This “One-Stop” system provides the services in 30 comprehensive centers in which all partners are located. There are also about 28 satellite offices that operate as affiliate One-Stops, linked electronically to the Career Center System, and offering core services and information on accessing other partner agency services. Job Search Workshops provide vital resources to Alabama workers who lose their jobs due to business closures, mass layoffs, or the shift in production to foreign countries.

Despite the myriad of services offered to employers and workers, a national problem identified by the U.S. Department of Labor is the lack of awareness of the services to potential customers. In order to increase awareness, as well as use of available services, the Alabama Department of Industrial Relations, Employment Service Division, and the Alabama Department of Economic and Community Affairs, Office of Workforce Development, requested and received U.S. Department

of Labor one-year grants to market One-Stop services to the state's employers and to conduct a wide range of job search workshops on a regular basis.

Program: Through the career center grant, full-time Employment Service employees from 11 cities have been assigned and trained to contact employers, in an effort to market the Alabama Career Center System as a single entity. Employers are contacted in person, by phone, e-mail, and by fax. When possible, they take tours of businesses to familiarize themselves with the operations. Each employee is responsible for employer contacts in several designated counties across the state.

The job search grant provides for an employee in each Employment Service Office to conduct workshops for dislocated workers specifically designed to address their particular needs. The workshops not only cover topics directly related to finding another job as soon as possible, but also such areas as education and finances. Sessions often feature various experts to lend their expertise. Whenever possible, job search workshops are conducted on-site at businesses that have already reduced their workforce, or that will soon be losing employees.

Results: Between September 2003 and May 2004, a total of 2,714 business contacts were made in marketing the Alabama Career Center System, including 777 initiated from Decatur, and 381 from Jasper. Between October 2003 and May 2004, employees from 34 Employment Service offices conducted a total of 1,270 job search workshops, attended by a total of 5,846 persons.

“Operation Grateful Heart”

Background: Alabama has the largest percentage of people serving in the military than any other state. Often, those who are deployed overseas, or who have returned home from active duty, don't know where to turn when they, or members of their family, face hardships. They may either be totally unaware, or simply confused, regarding the options or resources available to them in addressing vital needs such as medical care, counseling, employment, housing, transportation, or credit.

Program: The goal of the program is to bring appropriate state, county, and nonprofit agencies under one umbrella in attempting to resolve any difficulties that soldiers or their families may encounter. “Operation Grateful Heart” works with state agencies and departments that already assist active duty military personnel, veterans, and their families, but the thrust of the initiative also involves reaching out to all areas of the state through volunteer-driven efforts at the local level to provide recognition and appreciation, as well as vital assistance.

Instrumental in working with the Governor's Office to make “Operation Grateful Heart” a reality were the director and assistant director of the Alabama Department of Industrial Relations, as well as the Employment Service Division director, two other key Employment Service Division employees, and the director of the U.S. Department of Labor (USDOL), Veteran's Employment and Training Service. Dr. Joyce Ringer of Auburn, volunteer chair of “Operation Grateful Heart,” felt it was important for the state to do all it could to help those fighting the war on terrorism, as well as their families. Through the program, Alabama is going all out in finding the means to support its

troops and their families in overcoming the unique hardships they may face.

Those in need may call the "Operation Grateful Heart" toll-free telephone number (866-452-4944), which is answered by the Employment Service Division in the Industrial Relations Central Office in Montgomery. When appropriate, Employment Service staff refers those needing assistance to veterans' representatives in the nearest Alabama Career Center. A USDOL grant of about \$100,000 is funding the program.

Results: "Operation Grateful Heart," launched in mid-June 2004, connects service men and women and their families with whatever help they need on a broader scale and is well-organized and personalized. A full-time coordinator, who has experience as a veterans' representative, has been hired to make proper assessments of how to proceed in helping veterans and their families.

"Operation Grateful Heart" is the first program of its kind in the nation and is expected to be a model for other states to emulate.

Internet Services for Employers

Background: Over 85,000 employers in Alabama are required to report employee wages and pay state unemployment compensation (UC) taxes each quarter. These employers need to accomplish this mandated task with ease and efficiency. All new employers, or employers who make changes such as business incorporation, need a quick and convenient way to register their business and receive a UC account number. DIR collects these state UC taxes and processes the wage data, as well as establishes new accounts for businesses. Our agency is always looking for ways to reduce processing time and expense, while improving accuracy. It was determined the needs of the private sector employers and the state could best be met by expanding Alabama's e-commerce activities to include UC tax and wage reporting, and registration of accounts for new employers.

Program: In September 2002, DIR obtained a grant of \$497,331 from the U.S. Department of Labor to totally fund development of Alabama's Internet Employer Tax and Wage Reporting System. Development of the system is scheduled for completion next year. Training for public accountants and employers who express interest in this optional method of filing will be scheduled and it is anticipated that the Internet filing system will be used by a significant number of employers in 2005.

Many employers and public accountants will find that filing online is better than going through all the steps with paper forms. The Internet filing system will propagate wage data entered from previous quarters, alleviating the need to reenter names and social security numbers. The Internet system will also simplify record keeping for the employer by maintaining a running total of how much the employer has paid each employee during the year and automatically calculating "excess wages." (Taxes are paid only on the first \$8,000 the employer pays the employee January 1 through December 31.)

The Internet system will also automatically calculate the amount of taxes due. The employer may choose to pay taxes by check or by electronic fund transfer (EFT).

In September 2002, DIR obtained a grant of \$207,984 from the U.S. Department of Labor to fund

development of Alabama's Internet Employer Registration System.

Results: When the Internet Tax and Wage Reporting System and Registration System is available, Alabama employers will have an optional method for quarterly filings and registration that is convenient, efficient, and accurate. The Internet system will benefit the state by reducing DIR's cost to produce, mail, and process paperwork, while also improving accuracy of UC tax payments and UC data.